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*Via Facsimile and U.S. Mail*

Arizona Corporation Commission

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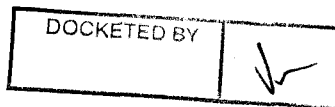
Jerry L. Rudibaugh  
Chief Administrative Law Judge  
Arizona Corporation Commission  
Hearing Division  
1200 West Washington Street  
Phoenix, AZ 85007

AZ CORP COMMISSION  
DOCUMENT CONTROL

DOCKETED

OCT 19 2000

26601-0001



**Re: Suspension of Procedural Schedule: In the Matter of the Joint Application between Citizens Utilities Company and Cap Rock Energy Corporation for the Approval of the Sale of Certain Electric Utility Properties in Arizona: Docket Nos. E-01032A-00-0163; E-01032B-00-0163; E-01032C-00-0163; E-03851A-00-0163**

Dear Honorable Jerry Rudibaugh:

Enclosed please find Citizens' and Cap Rock's Joint Motion to Suspend the Procedural Schedule and Memorandum in Support in the above-referenced matter. The original has been sent to the Docket Control Center on this date for filing.

Very truly yours,

Natalie L. Hocken

Of Attorneys for Cap Rock Energy Corporation

Enclosure

cc: R. Mitten, Citizens Communications Company  
J. Wagner, Legal Division – ACC Staff  
D. Pozefsky, RUCO  
M. Lustiger  
W. Meek, AUIA  
C. Nelson, Mohave County  
A. Bettwy, Southwest Gas Corporation  
J. Bell, IBEW Local 769  
C. Hitchcock, Sulphur Springs

155787 v01.SE (3C7F01!.DOC)  
10/18/00 11:22 AM (26601.0001)

October 18, 2000

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Arizona Corporation Commission  
Docket Control Center  
1200 West Washington Street  
Phoenix, AZ 85007-2996

**Re: *In the Matter of the Joint Application Between Citizens Utilities Company and Cap Rock Energy Corporation for the Approval of the Sale of Certain Electric Utility Properties in Arizona and the Transfer of the Certificate of Convenience and Necessity from Citizens to Cap Rock***  
**Docket Nos.: E-01032A-00-0163, E-01032B-00-0163, E-01032C-00-0163, E-03851A-00-0163**

Dear Docket Control Center:

Enclosed please find the original and 10 copies of the Joint Motion to Suspend the Procedural Schedule and Memorandum in Support of Joint Motion to Suspend the Procedural Schedule in the above-referenced matter.

Very truly yours,

  
Natalie L. Hocken

Enclosure

155785 v01.SE (3C7D01!.DOC)  
10/18/00 11:22 AM (26601.0001)

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 CARL J. KUNASEK  
CHAIRMAN

3 JIM IRVIN  
COMMISSIONER

4 WILLIAM A. MUNDELL  
COMMISSIONER

5  
6 IN THE MATTER OF THE JOINT  
7 APPLICATION BETWEEN CITIZENS  
8 UTILITIES COMPANY AND CAP ROCK  
9 ENERGY CORPORATION FOR THE  
10 APPROVAL OF THE SALE OF CERTAIN  
11 ELECTRIC UTILITY PROPERTIES IN  
12 ARIZONA AND THE TRANSFER OF THE  
13 CERTIFICATE OF CONVENIENCE AND  
14 NECESSITY FROM CITIZENS TO CAP  
15 ROCK

Docket No. E-01032A-00-0163

Docket No. E-01032B-00-0163

Docket No. E-01032C-00-0163

Docket No. E-03851A-00-0163

**JOINT MOTION TO SUSPEND  
THE PROCEDURAL SCHEDULE**

13  
14 Cap Rock and Citizens ("the applicants") respectfully request that the procedural  
15 schedule in the above-captioned matter be suspended pending further notice. The applicants  
16 will provide a comprehensive status report to all interested parties to the proceeding no later  
17 than November 17, 2000, at which time the continued suspension of the procedural schedule  
18 will be revisited.


19  
20 The applicants have conferred with all parties to this proceeding (including  
21 intervention applicants: Sulphur Springs Valley Electric Cooperative, Inc. and IBEW Local  
22 769) regarding the motion. The Arizona Corporation Commission Staff is opposed to the  
23 motion; all other parties agree to the motion.


24  
25 The applicants' motion is supported by the accompanying Memorandum in Support  
26 of Joint Motion to Suspend The Procedural Schedule.

1 We hereby respectfully request the suspension of the procedural schedule subject to  
2 the conditions set forth herein.

3 Dated: October 18<sup>th</sup>, 2000

Dated: October 18<sup>th</sup>, 2000

5   
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**CERTIFICATE OF SERVICE**

Copies of the **JOINT MOTION TO SUSPEND THE PROCEDURAL SCHEDULE** and **MEMORANDUM IN SUPPORT OF JOINT MOTION TO SUSPEND THE PROCEDURAL SCHEDULE** were mailed on October 18, 2000 to the following:

Hon. Jerry Rudibaugh  
Chief Administrative Law Judge  
Arizona Corporation Commission  
Hearing Division  
1200 West Washington  
Phoenix, AZ 85007  
(also via facsimile)

Janet Wagner  
Teena Wolfe  
Arizona Corporation Commission  
Legal Division  
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4 Mohave County  
5 PO Box 7000  
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7 Christopher Hitchcock  
8 Sulphur Springs Valley Electric Cooperative, Inc.  
9 Hitchcock, Hicks & Conlogue  
10 Post Office Box 87  
11 Copper Queen Plaza  
12 Bisbee, AZ 85603-0087

13 Joel Bell  
14 IBEW Local 769  
15 3232 North 20th Street  
16 Phoenix, AZ 85016

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155332 v02.SE (3B%S02!.DOC)  
10/18/00 10:51 AM (26601.0001)

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 CARL J. KUNASEK  
CHAIRMAN

3 JIM IRVIN  
COMMISSIONER

4 WILLIAM A. MUNDELL  
COMMISSIONER

5 IN THE MATTER OF THE JOINT  
6 APPLICATION BETWEEN CITIZENS  
7 UTILITIES COMPANY AND CAP ROCK  
8 ENERGY CORPORATION FOR THE  
9 APPROVAL OF THE SALE OF CERTAIN  
10 ELECTRIC UTILITY PROPERTIES IN  
11 ARIZONA AND THE TRANSFER OF THE  
12 CERTIFICATE OF CONVENIENCE AND  
13 NECESSITY FROM CITIZENS TO CAP  
14 ROCK

Docket No. E-01032A-00-0163

Docket No. E-01032B-00-0163

Docket No. E-01032C-00-0163

Docket No. E-03851A-00-0163

**MEMORANDUM IN SUPPORT OF  
JOINT MOTION TO SUSPEND  
THE PROCEDURAL SCHEDULE**

13  
14 Cap Rock and Citizens ("the applicants") have filed a Joint Motion to Suspend The  
15 Procedural Schedule in which the applicants request that the procedural schedule in the  
16 above-captioned matter be suspended pending further notice. As a condition of this  
17 suspension, the applicants will provide a comprehensive status report to all interested parties  
18 to the proceeding no later than November 17, 2000, at which time the continued suspension  
19 of the procedural schedule will be revisited. As indicated in the Joint Motion, all parties  
20 except for the Arizona Corporation Commission Staff ("Staff") have agreed to the motion.  
21

22 It is the applicants' understanding that the Staff is inclined to request that the  
23 applicants completely withdraw their pending application if the applicants are unable to  
24 present their full case by November 17, 2000.  
25

26 The applicants have been diligently working on the transaction; however in light of a  
27 number of events, most recently the unanticipated and substantial increase in purchased  
28



1 power costs, attention has been diverted to resolving these issues and has resulted in the need  
2 to restructure parts of the transaction. While the applicants understand, and share Staff's  
3 frustration with the delays, the applicants can not agree to withdraw the application in its  
4 entirety on a date certain. The applicants may be in a position to present the details of any  
5 modified transaction on November 17, 2000, and yet not be in a position to file all testimony  
6 and supporting documents at that time. Nevertheless they may be able to propose a  
7 definitive schedule for filing testimony and responding to discovery related to the modified  
8 transaction. Substantial time and effort has been devoted to discovery in this proceeding and  
9 the applicants anticipate that even if some aspects of the transaction change, a good portion  
10 of the discovery already conducted will remain relevant for purposes of analyzing the  
11 transaction.  
12

13  
14 Even if the transaction is modified, not all aspects of the transaction will change and it  
15 would be premature to agree to start over without at least being given the opportunity to  
16 spend the next month continuing to work on these issues. Granting the applicants' request  
17 will not only benefit the applicants, but will be beneficial for all parties in this proceeding  
18 because it may preserve some of the time and effort which has been expended to date on  
19 intervening, conducting discovery and drafting testimony.  
20

21  
22 If the applicants are unable to modify the transaction within a reasonable period of  
23 time, the application will be withdrawn in due course anyway. At this point however, the  
24 applicants are requesting additional time to try to resolve their outstanding issues with the  
25 understanding that they will be obligated to report back to the Commission within one  
26 month.  
27  
28

1 Wherefore, for the foregoing reasons, the applicants respectfully request the Joint  
2 Motion To Suspend The Procedural Schedule be granted.  
3

4  
5 Dated: October 18<sup>th</sup>, 2000

Dated: October 18<sup>th</sup>, 2000

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7 Michael C. Dotten  
8 Natalie L. Hocken  
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15 Corporation and Cap Rock Electric  
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